

FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD
Board Meeting Minutes
June 13-14, 2023
Hybrid Meeting (In-Person and via Zoom for Government)

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For research purposes, please see the briefing materials at www.fasab.gov. Briefing materials for each session are organized by topic; references to these topics in the minutes are hyperlinked.

Tuesday, June 13, 2023

Attendance

The following Federal Accounting Standards Advisory Board (FASAB or “the Board”) members were present throughout the meeting: Messrs. Scott (chair) and Bell, Ms. Bronner, Mr. Dacey, Ms. Johnson, and Messrs. McNamee, Patton, and Vicks. Ms. Harper was present except for the morning of June 14. The executive director, Ms. Valentine, and general counsel, Mr. Kirwan, were present throughout the meeting.

Administrative Matters

- **Clippings and Updates**

Ms. Reese, Governmental Accounting Standards Board (GASB) senior project manager, provided a brief overview of GASB's recent activities.

Ms. Reese highlighted the following GASB projects:

- Revenue and expense recognition – The goal is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. GASB continued evaluating the feedback on the Preliminary Views document; members are currently focused on “category B transactions” (transactions that do not have a performance obligation) and the recognition unit of account for these transactions.
- Reporting model – The goal is to enhance the effectiveness of the model in providing information that is essential for decision-making, enhance users' ability to assess a government's accounting, and address certain application issues. The Board considered specific standardized structure alternatives for the reconciliation between information in governmental fund financial statements and the government-wide financial statements.
- Certain risk disclosures – The goal is to identify potential risks associated with concentration and constraints in state and local governments and consider developing disclosure requirements associated with those risks. The Board is moving from an exposure draft (ED) towards a final document. Members discussed the level at which these disclosures apply. They agreed that the disclosures should be assessed at the primary government level but that the disclosures themselves should be as detailed as reporting units.
- Infrastructure assets – This new project is the result of the research done on capital assets. The project is in a preliminary stage. The Board is discussing the definition of “infrastructure assets” and reviewing the definition from Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.
- Going concern uncertainties and severe financial stress – GASB is working toward a proposal to address disclosures for going concern uncertainties and severe financial stress. The Board is focusing on defining the term “severe financial stress.”

- Classification of non-financial assets – The goal is to reconsider the existing classification of nonfinancial assets and other related sub-classifications. The Board is developing the standards section of a draft ED. The proposal will also consider certain capital assets, the requirement to separate them by class, and more specific guidance on a “capital asset held for sale.”
- Annual implementation guide update – The Board engages in an annual process where it adds questions as needed to the comprehensive implementation guide. The Board has approved the document for issuance.
- The Board has been discussing implications of the Financial Data and Transparency Act, specifically the requirement for state and local governments to have procedures in place to provide financial statements in electronic form. GASB is discussing its role in providing guidance for these requirements.

One member asked if GASB would be further considering condition reporting of infrastructure assets. Ms. Reese noted that condition reporting is within the scope of the infrastructure assets project.

Mr. Scott thanked Ms. Reese for keeping the Board informed of GASB’s activities.

Agenda Topics

- **Climate-Related Financial Reporting**

Ms. Gilliam, assistant director, introduced [topic A](#), the climate-related reporting project. She presented an education session on climate-change risks.

Mr. Joe Thompson, assistant director in the Government Accountability Office’s (GAO) Natural Resources and Environment team, presented information on the GAO High-Risk List. GAO added “limiting the federal government’s fiscal exposure by better managing climate change risks” to the list in 2013.

GAO’s work on the High-Risk List originally focused on why taxpayers should care about climate-related financial risk. The current list focuses on what individual agencies can do about climate risk. GAO is auditing federal programs to determine how they are dealing with climate change and building it into their operating systems.

GAO focuses on limiting the federal government’s fiscal exposure by better managing climate change risks in five areas:

- The federal government as a leader of a national climate strategic plan – The federal government does not have a specific strategic plan that

identifies the federal structure in place to accomplish and fund these goals.

- The federal government as a property owner – The federal government plays a key role as owner, operator, and funder of property, such as the General Services Administration’s buildings and facilities, federal lands, and the federal government’s funding of roads, bridges, and other long-lived infrastructure.
- Federal insurance programs (such as flood and crop insurance) – These programs have challenges based on how they were structured. Climate change is making those challenges worse for taxpayers. GAO is working to determine how to build climate-risk management into those programs.
- Technical assistance to federal, tribal, state, local, and private-sector decision makers – GAO looked at how the federal government can better harness massive amounts of research data collected from agencies to help decision makers better manage their risk in day-to-day activities. GAO recommended the creation of a national climate information system to tie together the federal government with non-federal decision makers in a way that allows them to manage their risk better.
- Disaster aid and resilience – If the government does not address the first four areas, it will incur huge bills for disaster assistance. GAO’s overall goal is to decrease that disaster assistance bill to the nation.

GAO created the Disaster Resilience Framework to focus on reducing the federal fiscal exposure to climate change.¹ GAO has been applying this Framework to federal programs to learn how a program works, where the access points are to manage climate-change risk within that program, and what options programs have to reduce fiscal exposure to climate change. GAO has issued a series of reports on this work.

Dr. Fred Lipschultz, senior scientist with the U.S. Global Change Research Program (USGCRP), presented information about USGCRP and the forthcoming fifth National Climate Assessment (NCA5).

Congress mandated the USGCRP in the Global Change Research Act of 1990 to assist the Nation and the world to understand, assess, predict, and respond to human-induced and natural processes of global change.” Much of the USGCRP’s work responds to and aligns with the information that Mr. Thompson presented.

The USGCRP is currently working on the NCA5. Assessments are a consensus-based view of the state of science, an evaluation of a body of scientific or technical knowledge that synthesizes individual studies, data, models, and assumptions, and participants’

¹ GAO, *Disaster Resilience Framework: Principles for Analyzing Federal Efforts to Facilitate and Promote Resilience to Natural Disasters*, GAO-20-100SP (Washington, D.C.: October 23, 2019).

best professional judgment to bridge uncertainties. Each chapter has a diverse set of authors who consider information from a point of view of societal values as well as climate. NCAs are relevant for policy and decision-making but do not prescribe specific policy interventions or advocate for a particular viewpoint. As NCAs are fully compliant with the Global Change Research Act of 1990, and other applicable laws and policies, they are authoritative, timely, and transparent.

To develop the NCA5, the USGCRP gets public comments on the draft and coordinates a peer review by the National Academies of Sciences, Engineering, and Medicine. The authors then respond to the comments and revise the draft based on this input. The last steps to publish the NCA are final revisions, agency reviews, and website development. The USGCRP expects to finalize and publish the NCA5 in the fall of 2023.

Major themes of the draft assessment include how the federal government is addressing climate change, how it experiences climate change, what is at risk; where the federal government is going, and how it moves forward.

Two climate science chapters look broadly at adaptation and mitigation, to summarize the current state of knowledge for the United States, as well as what the government is learning about those topics. Three new features of the NCA5 include scientific advances, a greater understanding of how climate change affects people, and practical examples of proven climate solutions.

The NCA5 includes a new economics chapter. It discusses the effects on markets, budgets, and economic opportunities and provides examples of economic effects of extremes from climate change. In addition to the economics chapter, the economics of mitigation and technology will be available in the mitigation chapter. Dollar amounts are mentioned approximately 150 times across the NCA5, and GDP is used approximately 30 times to quantify costs nationally.

Mr. Scott thanked Mr. Thompson and Dr. Lipschultz for their presentation.

A number of members were interested in what key factors could provide a better perspective on the financial position and financial condition of the federal government and the sustainability of its programs for historical accounting events and future climate risk. Can agencies identify climate risk areas that could reasonably have a significant financial effect on the financial statements? To what extent is climate risk modeling for future financial projections reliable?

Mr. Thompson responded that GAO does not currently know how to quantify climate risk for agencies. However, a system for agencies to report and track costs consistently could help to understand how to buy down climate risk for the federal government. Commercial companies are investing in portfolio analysis to understand their climate risk.

From FASAB's perspective, what economic information from NCA5 can be used to understand costs to federal agencies?

Information should be consistent for comparison of priorities across agencies. The question is what information agencies can actually access and how enterprise and risk management support these priorities. A climate-related disclosure framework should help agencies to understand how to stress test what climate change means for their operations and the best way to incorporate safety factors to manage that financial risk within their systems.

Dr. Lipschultz said that climate modeling is deeply uncertain in some areas, especially the cascading and interrelated economic and human pieces. Output from climate models shows how hot it may be when no adaptations or technology changes have occurred to estimate the cost of, for example, human health in Phoenix.

Disaster risk reduction is important. Accounting for what happened to agency buildings or infrastructure because of a past disaster and understanding the effect on the operation of the agency's mission can help to reduce future related risk. Liabilities exist for funding repairs and maintenance from disasters. As climate change causes cascading risks (increase in disasters), related liabilities are going to increase unless agencies buy down the risks in preparation for these disasters. The best approach to managing future risk is through adaptations and mitigation today. This will prevent vast costs in the future.

One member asked how the 14 agency members operate within the USGCRP. Dr. Lipschultz explained that people working on climate programs within the big agencies participate in working group activities. Mr. Thompson said there are agencies that bring science to the NCA, but also ones like the Federal Emergency Management Agency that are looking at how to do a better job in response and recovery.

One member asked if FASAB's climate-related disclosure framework should be from an agency view or a top-down approach that assesses the government as a whole. Mr. Thompson recommended FASAB do both. He explained that given how Congress works, how the appropriations process works, and how agencies actually operate, disclosures should provide information on how reporting entities are investing resources to integrate climate risk management into how they operate.

One member asked what the role of the National Academies is. Dr. Lipschultz replied that the Global Change Research Act requires the National Academies to review USGCRP activities and provide advice. Mr. Thompson added that the National Academies formally publishes two reports in response to the USGCRP's reports: one for the Decadal Strategic Plan and one for the NCA.

One member asked if agency enterprise risk management (ERM) processes are addressing preexisting climate risk functions and if data is available to set priorities agency-wide. Mr. Thompson responded that there are no ERM models to show that this is possible. Ms. Gilliam asked that any task force members please reach out to let staff know if their agency is currently working on this.

One member asked if the NCA5 would include an analysis in the regional chapters for state and local governments that have been very hard hit by natural disasters. Have the state and local governments conducted risk assessments? Are there any disclosures or is there innovation in those areas?

Dr. Lipschultz replied that there are. New York City has been working for more than a decade—even before Hurricane Sandy—on how to build climate thinking and coordination into its day-to-day management. This work is resulting in thinking about cascading risks and interrelationships across departments. In addition, California is working on its fifth climate assessment to drive policy decisions.

Mr. Thompson added that Congress wants to know what climate change means on a local, economic level. The goal of a current GAO engagement is to learn if the federal government has the institutions in place to address and buy down climate risk. The concern is that the places hit by disasters do not have the resources to understand where the risk is and do not have the resources to apply for grants. Therefore, how does the federal government provide a nationwide system to reach those places not only from an information perspective but also from a perspective of buying down the risk?

One member asked about next steps. Ms. Gilliam said staff plans to finish presenting education sessions and begin development of the draft framework in the fall of 2023.

- **Software Technology**

Mr. Williams, senior analyst, introduced [topic B](#) by explaining that staff was recommending definition and scope language for the Board's consideration in developing cloud-service arrangement reporting guidance. He explained that staff intended for the proposed cloud-computing definition to inform readers about the cloud-computing resource that the standards would address. The proposed scope was intended to explain the economic transactions associated with cloud-service arrangements that would apply to the standards.

Question 1 – Which cloud-computing definition do members prefer for the draft ED?

Mr. Williams then explained to members that he had asked the working group to provide feedback on and preferences between a cloud-computing definition established by the National Institute of Standards and Technology (NIST) in a special publication and a staff-developed definition. Mr. Williams informed the Board that he had received mixed feedback from the working group. He explained that some working group members preferred the NIST definition because it was issued by a federal government technology standard-setting body and sufficiently explained cloud computing.

However, other working group members found the NIST definition too technical and wordy and, therefore, preferred the staff-developed definition. Some working group members voiced concern with the risk of standards referencing a definition and

associated guidance from another entity. Mr. Williams agreed that there was some risk that the NIST could rescind or amend the cloud-computing definition after the Board issues the financial reporting guidance, requiring the Board to amend the guidance to keep the definition reference up to date.

Mr. Williams explained that staff was ultimately recommending the NIST definition because staff believes the NIST definition more thoroughly explains cloud-computing resources and is currently used in the federal environment. Furthermore, referencing the special publication would also direct readers to a more detailed explanation of the cloud-computing characteristics and models prevalent in the federal environment. Additionally, the NIST definition would hold more credibility than the staff definition because a professional body with expertise in the federal technological arena developed it.

The Board overwhelmingly supported staff's recommendation to include the NIST cloud-computing definition in the draft financial reporting guidance. One member was supportive of moving forward but voiced some concern that the NIST definition is very detailed and generally preferred to use a more generic and broad definition to provide flexibility in the reporting guidance.

Another Board member agreed that the NIST definition was wordy and technical and noted that the working group provided mixed feedback on the two proposed definitions. The member requested that the Board remain flexible to changing the definition if new information arises in the future that suggests another definition is more effective. Another member responded that if the Board were to use another definition, then it should clearly explain why it decided to deviate from the NIST definition that the federal government uses prevalently. Mr. Williams pointed out that the Board could certainly revisit the definition as well as the scope language in the future, as the Board continues to develop the reporting guidance.

Question 2 – Do members agree with staff's recommendation to use the term "cloud-service arrangement" in the reporting guidance scope?

Mr. Williams then addressed staff's recommendation for the Board to use the term "cloud-service arrangement" in the scope language. He pointed out that other financial reporting standard setters appeared to have avoided using the word "cloud" for their cloud-computing guidance. However, staff believed that "cloud" most accurately describes the IT resource that the financial reporting guidance would address.

Furthermore, Mr. Williams explained that staff recommends using the word "service" instead of "computing" to highlight the fact that federal entities acquire cloud-based resources in many forms, such as computer processing, data storage, network, and software application capabilities, as a service from vendors. Additionally, Mr. Williams explained that staff recommends using the word "arrangement" to emphasize federal entities typically incur economic costs through contracts or agreement with vendors when consuming cloud-based resource services.

All Board members supported staff's recommendation to use the term "cloud-service arrangement" in the scope language. There were no notable exceptions or concerns.

Question 3 – Do members agree with staff's recommended definition of cloud-service arrangement in the scope language?

Question 4 – Do members agree with staff's recommended scope in and scope out language?

Mr. Williams then addressed both the cloud-service arrangement definition and inclusion and exclusion language of the recommended scope. He explained that staff developed the cloud-service arrangement definition to specifically emphasize the economic transactions associated with how federal entities consume cloud-based resources that the financial reporting guidance will ultimately address.

Mr. Williams noted that the definition highlighted the fact that cloud services are essentially IT resources consumed over a network without the federal entity possessing the resource as opposed to developed, purchased, or licensed software that a federal entity does possess. He emphasized that the key difference with cloud-based IT resources is that the federal entity consumes the IT resource over a network. He explained that that scope language clearly includes cloud-based services and excludes non-cloud software for which Statement of Federal Financial Accounting Standards (SFFAS) 10, *Accounting for Internal Use Software*, and Technical Release 16, *Implementation Guidance for Internal Use Software*, already provides reporting guidance.

Mr. Williams also stated that the scope language makes it clear that the reporting guidance will apply to cloud services that a federal entity acquires from a private vendor and excludes intragovernmental cloud services, which includes shared services. Finally, Mr. Williams stated that the proposed language also scoped out leases of tangible property, plant, and equipment that SFFAS 54, *Leases*, addresses. He explained that some cloud-service models could theoretically include the right to control tangible property, such as a server, and that staff recommended the scope-out language to avoid financial reporting overlap and help readers assess how to apply cloud-service arrangements to difference pronouncements.

The Board generally supported staff's recommended scope language. One member questioned why staff recommended scoping out shared services from the reporting requirements. Mr. Williams explained that, according to the original software technology project scope, the Board had planned to address reporting guidance for cloud services and then deliberate reporting guidance for shared services separately. He further explained that this approach made sense when the Board was originally considering applying the right-to-use asset and liability recognition framework from GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, to federal cloud-service arrangements since shared services typically represent intragovernmental transactions.

Mr. Williams acknowledged that since the Board ultimately decided to go with an expense disclosure framework for cloud-service reporting guidance, staff believed it was feasible that the Board could also apply shared service expenditures to the same disclosure requirements. However, Mr. Williams noted that the Board had not yet deliberated shared service characteristics and suggested the Board do so before deciding to include shared services in the cloud-service arrangement reporting guidance scope. He informed the Board that staff would bookmark the shared service scope-out statement for the Board to revisit later after developing reporting requirement language for cloud-service transactions from private nongovernmental entities.

Another Board member questioned why staff was recommending a definition for cloud-service arrangement in the scope that did not utilize the word “cloud computing.” Mr. Williams explained that staff developed the cloud-service arrangement definition to highlight the key characteristics of the economic substance of cloud services that the reporting guidance would apply. Furthermore, he did not recommend using the word “cloud” in the definition for cloud-service arrangement for clarity reasons.

The same member then asked why staff was recommending both the NIST cloud-computing definition and a definition for cloud-service arrangement in the guidance. Mr. Williams explained that the NIST cloud-computing definition was not intended to provide any specific authoritative reporting guidance but was meant to purely inform the reader of the resource (cloud computing) that the reporting guidance would address. On the other hand, the purpose of the cloud-service arrangement definition in the scope is to establish the economic transactions associated with cloud-service arrangements to apply to the financial reporting requirements in the standards. In other words, the NIST definition would not necessarily be essential to the reporting guidance but would complement the scope by describing cloud-based resources in the federal environment.

Another Board member questioned if it was necessary that language both explicitly scope in cloud services acquired from private vendors and scope out intragovernmental cloud services. Mr. Williams acknowledged that both statements implied one another. However, he stated that staff believed it was important for the guidance to clearly state that the reporting requirements would apply to cloud services from private vendors and would not apply to intragovernmental cloud services so that readers would be clear on how to apply the reporting guidance. Additionally, Mr. Williams recommended keeping the scope in the statement because it also tied the cloud-service reporting guidance to internal use software in SFFAS 10. Staff believed this statement is necessary to make it clear to readers that the reporting guidance applies to cloud services that federal entities acquire from nongovernmental entities for internal purposes, such as operations and mission delivery.

Another Board member suggested inserting the word “monetary” so that the scope applied to cloud-service arrangements for which federal entities acquire in exchange for only monetary consideration. The member was concerned that, without the word “monetary,” readers could interpret the resulting guidance to apply to arrangements in which a federal entity acquires cloud services in exchange for non-monetary consideration, such as in-kind services. Mr. Williams understood the concern and

recommended that staff research the matter further before providing the Board a recommendation. Mr. Williams explained that staff needed to research further to ensure that inserting “monetary” in the scope definition would not inadvertently scope out certain transactions.

Mr. Williams concluded by explaining that staff would insert the Board-approved NIST definition and scope language into a draft ED. He stated that staff’s planned next steps were to reengage the working group and other stakeholders to recommend specific reporting requirement language for cloud-service expenses for the Board’s consideration. Mr. Williams stated that staff believed that simple annual expense disclosures alone could provide significant user benefits and cautioned against issuing overly complicated reporting requirements. He also indicated that, in addition to shared services, he recommended that the Board address temporary software license guidance in the future.

- **Leases Implementation**

Mr. Perry, assistant director, introduced [topic C](#) by summarizing the material and the preliminary feedback provided by members in advance of the meeting. Mr. Perry noted that members generally supported the pre-ballot proposal in the materials.

Mr. Perry summarized six noteworthy clarifying edits and improvements to the pre-ballot draft in response to the preliminary feedback provided by members in advance of the meeting:

- Editing the third question for respondents (QFR)
- Editing paragraph 96A.b
- Adding footnote 14 to enhance technical clarity
- Replacing the term “various” with “different” and other minor clarifying editorial improvements in paragraph 96D
- Revising paragraph A13 to address member feedback on the design and operability of the proposal and enhance the clarity of the language
- Adding Mr. Vicks as a second signer of the alternative view based on preliminary feedback that he submitted to staff in advance of the meeting

Question 1 – Do members have additional feedback on the proposed paragraph 96A (and item A.1)?

One member described opportunities to improve the clarity of paragraph 96A.b. Several members agreed, providing suggested revisions to streamline and clarify the draft criteria.

The meeting adjourned for lunch.

After additional discussion upon returning from lunch, the Board discussed and reached agreement on editorial revisions to paragraph 96A.b and generally agreed that the revisions would improve the clarity of the criteria.

Question 2 – Do members have additional feedback on the proposed paragraphs 96B-96C (and items A.3 and B.1)?

Members generally agreed with the updates to these paragraphs presented in the materials, along with the addition of footnote 14 under paragraph 96C.

Question 3 – Do members have additional feedback on the proposed paragraph 96D (and items A.2 and B.2)?

Members discussed and generally agreed upon several additional revisions to paragraph 96D during the meeting:

- Removing staff-proposed guidance explicitly allowing multiple component or subcomponent reporting entities to select different accommodation periods under paragraph 96B
- Making clarifying edits to the proposed criteria for applying the provisions of paragraphs 96A-96C to groups of contracts or agreements that are reasonably similar in nature

Question 4 – Do members have additional feedback on the proposed basis for conclusions (and items D.1-D.4)?

Several members expressed concerns with the proposed language in paragraph A13 discussing evidence, data, and implementation monitoring. Members agreed to remove this language. Members agreed that the main purpose of the paragraph is to communicate the Board's consideration of alternatives and the extensive research, due process, and deliberations that support the design of paragraphs 72-77 of SFFAS 54.

Staff emphasized the systemic importance of paragraphs 72-77 to the operability of the Statement as a whole. He reminded members that a majority of leases, including real property leases, include nonlease components.

Mr. Bell and Ms. Johnson requested to join the alternative view under paragraphs A15-A24.

Mr. Scott requested that staff explain the current generally accepted accounting principles for multiple element lease arrangements. Mr. Perry confirmed that, under Financial Accounting Standards Board (FASB) Accounting Standards Codification® (ASC) 840-10-15-17, reporting entities are required to separately account for leases and separate lease elements from multiple-element arrangements. He noted that the requirement dates back to the Emerging Issues Task Force Issue 01-8, *Determining*

Whether an Arrangement is a Lease, which FASB ratified in 2003 and based on paragraph 1 of FASB Statement No. 13, *Accounting for Leases*, which dates back to 1976. Mr. Perry noted that the proposed accommodation would alleviate a requirement to which reporting entities are currently subject prior to the effective date of SFFAS 54 and the proposed accommodation.

Mr. Patton agreed with staff's response to Mr. Scott's question, noting that the Board has previously clarified that reporting entities are subject to ASC 840.

The Board discussed the draft of paragraph A24 in the material. Mr. McNamee explained that, in light of the Board's decision to remove the implementation monitoring discussion from paragraph A13, he would strike paragraph A24. Mr. Bell, Ms. Johnson, and Mr. Vicks concurred with this change.

Adjournment

The Board meeting adjourned for the day at 2:55 p.m. Mr. Scott noted that the Board would continue deliberations under question 4 of topic C on Wednesday.

- **Appointments Panel Meeting**

The Appointments Panel met in closed session to discuss personnel issues associated with the upcoming 2024 member vacancy. A determination had been made in writing by the U.S. Government Accountability Office, the U.S. Department of the Treasury, and the Office of Management and Budget, as required by section 10(d) of the Federal Advisory Committee Act, 5 U.S.C. 1009(d), that the meeting may be closed to the public in accordance with 5 U.S.C. 552b(c)(2) and (6). During this closed session, the discussions related solely to internal personnel rules and practices of the sponsor agencies, consistent section 552b(c)(2).

Wednesday, June 14, 2023

Agenda Topics

- **Management's Discussion and Analysis**

Ms. Gilliam introduced [topic D](#), management's discussion and analysis (MD&A). She presented the ED with alternative views by Ms. Johnson and Mr. McNamee for a pre-ballot. Ms. Johnson's alternative view opines that there are not significant differences between the proposal and SFFAS 15, *Management's Discussions and Analysis*, but the proposal could be more burdensome for preparers than SFFAS 15. Ms. Johnson also believes that the proposal would not address any concerns users may have with the clarity or redundancy of MD&As. Ms. Johnson and Mr. McNamee believe that the proposal should address "tiered" reporting in the federal environment.

Members then discussed the following questions from the briefing materials:

Question 1 – Do members agree with staff’s recommendation not to include Ms. Johnson’s suggested reporting burden question?

The Board agreed not to add an additional question about cost and burden to address the alternative view because respondents can provide comments on Q2, which already addresses cost and burden. Members agreed the question should be broader and not just focus on reduction of burden in the long term. To address the broader focus, members agreed to remove “long term.”

Question 2 – Do members agree with staff’s recommendation not to include Ms. Johnson’s suggested question on tiered reporting?

Ms. Valentine explained that the Board’s position is not to address tiered reporting as it affects all projects, not just MD&A, and would need to be a separate project. Mr. Scott said the Board would have to discuss tiered reporting the next time it reviews the technical agenda to determine whether to add the topic as a research project. Members agreed with Ms. Valentine and Mr. Scott’s explanation and agreed not to include a QFR on tiered reporting.

Question 3 – Do members agree with question Q5 that staff has added to address the alternative view?

Members agreed to include a high-level review of the alternative view with references to paragraphs instead of trying to summarize it in QFR 5.

Question 4 – Do members believe the updated basis for conclusions adequately supports the Board’s position?

Mr. McNamee agreed to be included in Ms. Johnson’s alternative view paragraph about tiered reporting and remove his separate paragraph about tiered reporting.

Members agreed to move to ballot the *MD&A and Omnibus Concepts Amendments* EDs.

- **Omnibus Amendments 202X**

Ms. Lee, senior analyst, introduced [topic E](#) on omnibus amendments. Ms. Lee reminded members that at the April meeting the Board had agreed to include one amendment to SFFAS 49, *Public-Private Partnerships*. Ms. Lee explained that the ED also combined amendments to Technical Bulletin (TB) 2011-1, *Accounting for Federal Natural Resources Other Than Oil and Gas*, and SFFAS 38, *Accounting for Federal Oil and Gas Resources*, since those reporting requirements are related. As all technical issues had been sufficiently resolved, Ms. Lee and Mr. Savini, in consultation with Ms. Valentine, had determined that the ED was ready for pre-ballot.

Ms. Lee summarized member responses to the two questions in the briefing materials and members discussed their responses.

Question 1 – Do members have any comments or questions regarding the pre-ballot SFFAS XX: *Omnibus Amendments 2023-2* ED?

Members suggested edits to the basis for conclusions, and the members agreed to delete QFR 2.

Question 2 – Do members wish to move to ballot SFFAS XX: *Omnibus Amendments 2023-2* ED?

Members agreed to move to ballot the *Omnibus Amendments* ED.

The meeting adjourned for lunch.

- **Leases Implementation (continued)**

The Board continued discussing the alternative view on the leases ED in the morning. Members supporting the alternative view agreed to incorporate language to address (a) the proposed treatment of modifications to the nonlease components under the alternative view and (b) the proposed similarities of the alternative view proposal to the assessment criteria in the ED proposal, which was incorporated into the alternative view between the morning and afternoon discussions.

Question 5 – Do members have feedback on the proposed QFRs (and item E)?

Members agreed with the revisions proposed by staff under QFR 3.

Members also agreed to add a specific QFR related to the proposed transitional nature of the accommodation and the associated timeline.

Question 6 – Do members have feedback on the proposed Appendix B (and item F)?

The Board did not discuss this item during the meeting. Staff received concurrence on the non-authoritative appendix illustration from a majority of members in advance of the meeting.

Next steps: The Board agreed to proceed to a ballot following the meeting. Staff will distribute electronic copies of a ballot with follow-up revisions tracked in the proposal. Mr. Perry noted that the target release date for the ED would be no later than June 30, with public comments due no later than July 30.

Adjournment

The Board meeting adjourned for the day at 2:30 p.m.

- **Steering Committee Meeting**

The Committee discussed FASAB's FY 25 budget, as well as other administrative matters.